

COMPASS

MANAGEMENT AND LEASING, INC.

Gary R. Sligar
Chairman and
Chief Executive Officer

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March 12, 1996

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Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: Telecommunications Services -- Inside Wiring, Customer Premises
Equipment, CS Docket No. 95-184

Dear Mr. Caton:

I am responding to the FCC's Notice of Proposed Rulemaking released on January 26, 1996 regarding telephone and cable wiring inside buildings.

My company is concerned that any action by the FCC regarding access to private property by large numbers of communications companies may inadvertently and unnecessarily have an adverse effect on the conduct of our business and may needlessly raise additional legal issues. The Commission's public notice also raises a number of other issues that concern us.

Background

COMPASS Management and Leasing, Inc. is in the commercial real estate business. Currently we manage over 120 million square feet of commercial real estate in 300 cities and 33 states throughout the United States (as well as the U.K and Brazil). Our properties range in size from 8,000 square feet to 2 1/2 million square feet and include urban and suburban office buildings, office parks, industrial parks, research and development properties, and some retail properties.

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Issues Raised by the FCC's Notice

The FCC's request for comments raises the following issues of concern to us: (1) access to private property; (2) location of the demarcation point; (3) standards for connections; (4) regulation of wiring; and (5) customer access to wiring.

(1) Access to Private Property

We are sure you will appreciate that modern telecommunications is critically important to our commercial tenants. No business can survive in today's economy without effective and up-to-date telecommunications services. For that reason, it is equally important for us to ensure that our tenants receive all the services they desire at a reasonable cost. The commercial real estate business is fiercely competitive, and if we did not provide our tenants with access to the latest telecommunications services, we could not survive.

Government intervention, however, is neither necessary nor desirable to ensure that telecommunications service providers can serve our tenants. Indeed, we believe that such intervention could have the unintended effect of interfering with our ability to effectively manage our properties. Building owners and managers have a great many responsibilities that can only be met if their rights are preserved, including coordination among tenants and service providers; managing limited physical space; ensuring the security of tenants, and visitors; and compliance with safety codes. Needless regulation will not only harm our interests, but those of our tenants, and the public at large.

A building owner must have control over the space occupied by telephone lines and facilities, especially in a multi-occupant building, because only the landlord can coordinate the conflicting needs of multiple tenants and multiple service providers. Although this has traditionally been more of an issue for commercial properties, such coordination may become increasingly important in the residential area as well. Large scale changes in society -- everything from increased telecommuting to implementation of the new telecommunications law -- are leading to a proliferation of services, service providers and residential telecommunications needs. With such changes, the role of the landlord or manager and the importance of preserving control over riser and conduit space will only grow. For this reason, we believe that the best approach to the issues raised in the request for comments is to allow building owners (if they choose) to

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retain ownership and control over their property -- including inside wiring -- so long as they make sufficient capacity available to meet all the needs of the occupants of a building.

A building has a finite amount of physical space in which telecommunications facilities can be installed. Even if that space can be expanded, it cannot be expanded beyond certain limits, and it certainly cannot be expanded without significant expense. Installation and maintenance of such facilities involves disruptions in the activities of tenants and damage to the physical fabric of a building.

Telecommunications service providers are unlikely to consider such factors because they will not be responsible for any ill effects.

We are also concerned about the security of our buildings and our tenants. Telecommunications service providers have no such obligation. Consequently, any maintenance and installation activities must be conducted within the rules established by a building's manager, and the manager must have the ability to supervise those activities. Given the public's justified concerns about personal safety, we simply cannot allow service personnel to go anywhere they please in our buildings without our knowledge.

Finally, we are responsible for compliance with local safety and building codes, and we are the front line in their enforcement. We cannot ensure compliance with such requirements if we do not have control over who does what work in our buildings, or when and where they do it. Limiting our control in this area will unfairly increase our exposure to liability and will adversely affect public safety.

In short, we are fully capable of meeting our obligations to our tenants. As keen competitors in the marketplace, we will continue to make sure they have the services they need. It is unnecessary for the government to interject itself in this field, and any action by the government is likely to prove counterproductive.

(2) Demarcation Point

The Notice also asks for comment regarding the need for a common demarcation point, and the location of such a demarcation point. We believe that the only criterion for the location of the demarcation point should be the nature of the

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property, and not the specific technology involved. There should be a uniform demarcation point for all commercial properties and a different demarcation point for residential properties. In the case of commercial buildings, the demarcation point should be inside the premises, preferably at the telephone vault or frame room. For residential properties, the demarcation point should be outside the building if the building is an apartment building where there is no resident superintendent, and in any event outside each resident's premises.

(3) Connections

The Notice asks whether the FCC should issue technical standards for connections. We believe that government action in this regard is unnecessary. The telecommunications industry has already established standards that are widely followed, and we believe that it is in the best interests of the companies and their customers that they continue to be followed.

(4) Regulation of Wiring

We have no comments on the merits of any particular scheme for regulating inside wiring, because we are not service providers but users of telecommunications. In general, however, we think it important to note that there are substantial differences between residential and commercial buildings, and while it may make sense to account for the convergence in technologies, it probably does not make sense to adopt uniform rules for all kinds of property.

We are also concerned that the government might impose a huge new expense on telecommunications service providers and building owners by requiring retrofitting of existing buildings. We believe such matters should be left to the ongoing discussions regarding amendments to the Model Building Code. Except where safety is involved, amendments to the building and electrical codes are seldom retroactive.

We also note that the Notice treats residential and commercial buildings as distinct entities. Mixed use buildings, however, are becoming increasingly common and must be considered in any regulatory scheme.

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(5) Customer Access to Wiring

We have no objection to permitting a customer to install or maintain its own wiring or buy the wiring from a service provider, provided that the rights of the owner of the premises are taken into account. A tenant's rights in wiring should not extend beyond the limits of the demised premises, and the landlord must retain the right to obtain access to the wiring and control the type and placement of such wiring. We also believe that the owner of the premises should have a superseding right to acquire or install any wiring. In any case, a tenant's right to acquire or install wiring should be governed by state property law and the terms of the tenant's lease. We must retain the right to control activities on our own property, if need be.

In conclusion, we urge the FCC to consider carefully any action it may take. Thank you for your attention to our concerns.

Sincerely,



Gary R. Sligar

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